REMARKS

Claims 1-3, 5-16, and 18-19 are pending in the present application. Claims 1, 12, 16 and 19 are independent. Claims 1, 12, 16, and 19 have been amended and no new matter has been added.

I.   Rejection Under 35 U.S.C. § 103

The Office Action rejected Claims 1-3, 5-16 and 18-19 under 35 U.S.C. § 103(a) as being unpatentable over Giovannoli (U.S. Patent No. 5,842,178) in view of Balasubramanian et al. (U.S. Patent No. 6,647,300). Although Applicant believes that the rejected claims are patentably distinct from the cited references, Applicant has nevertheless amended the claims without prejudice in order to expedite prosecution.

The present invention is directed to systems and methods for trading securities to provide system participants with optimal buy and sell prices. For example, currently amended claim 1 recites:

A computer-implemented system for trading taxable and non-taxable securities comprising:

an offering inventory module for tracking and displaying securities offerings and information including at least one response to a request for a quotation (RFQ), wherein the securities offerings and information in the offering inventory module are automatically updated; and

a price discovery module having a time management system for;

forwarding at least one RFQ from a sender to at least one dealer, wherein the sender comprises one of a first user and a second user acting on behalf of the first user,

receiving at least one dealer response to the RFQ, and

executing a trade based on one of a best RFQ response and an improvement to a best RFQ response, wherein the system makes the at least one dealer response available to the second user and allows the second user to improve the best RFQ response to execute the trade based thereon as a principal and <u>determines an execution price and yield for the securities offerings for which the trade that has been executed</u>.

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Giovannoli is not directed to systems and methods for trading securities. It is instead directed to a computerized system forming a computer-based network for processing requests for quotation for goods and services by broadcasting requests to network members. (Giovannoli, Col. 2, l. 39-55.) No central database of goods, prices, etc., is involved. (*Id.*) Instead, buyers formulate requests for quotation and transmit them to the computerized network, which in turn broadcasts the requests for quotation to prospective sellers based on filter conditions that the buyer, seller, and/or network operator set. (*Id.*) Responses are processed by a quotation system and submitted to the requesting buyer. (*Id.*)

The Office Action admits on page 2 of the Office Action that Giovannoli fails to disclose the invention as claimed. Giovannoli does not disclose, teach, or suggest "an offering inventory module for tracking and displaying securities offerings and information" as recited in Claim 1. It also does not disclose, teach, or suggest a price discovery module for, among other things, executing a trade based on one of a best RFQ response and an improvement to a best RFQ response, wherein the system makes the at least one dealer response available to the second user and allows the second user to improve the best RFQ response to execute the trade based thereon as a principal and <u>determines an execution price and yield for the securities offerings for which the trade that has been executed</u> as recited in Claim 1. Applicant respectfully submits that Balasubramanian et al. does not overcome these deficiencies.

Balasubramanian et al. is not directed to systems and methods for trading securities. It is instead directed to a distributed control system that employs a number of autonomous cooperative units ("ACUs") that intercommunicate with bids and counterbids to allocate the production of a product. (Balasubramanian et al., Abstract.) When a primary part of the job portion matches the capabilities of the given ACU, that ACU communicates a secondary part of the job portion not matching the capabilities of the given ACU over a network to other

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ACUs. (*Id.*, Col. 2, l. 44-59). For example, in a job requiring heating, then rolling and cooling of metal strips, one ACU that is a heater would bid on the heating and then request bids on the rolling from other ACUs. (*Id.*, Col. 7, l. 37-51.)

Each request for a bid is attached to a single response time value. (*Id.*, Col. 10, l. 50-Col. 11, l. 5.) This single response time value is, in turn propagated in modified form in all subsequent request for bids from ACUs receiving the initial request for bid. (*Id.*) For example, if ACU A transmits a request for bid to ACU B, with a response time value of 1.0, ACU B may make other requests for bids having response time values of 0.7 to allow 0.3 of processing time to ensure that ACU B can respond to ACU A in the time that ACU A requires. Column 3, lines 55-57 of Balasubramanian et al., which the Office Action cites, merely states that bid responses are filtered to only the best bid responses at each ACU to minimize network traffic. As explained in column 9, line 66 to column 10, line 8, if there are multiple successful bid responses, each success is forwarded while counter bids and failures are truncated to preserve network bandwidth.

Balasubramanian et al. does not disclose, teach, or suggest a price discovery module for, among other things, executing a trade based on one of a best RFQ response and an improvement to a best RFQ response, wherein the system makes the at least one dealer response available to the second user and allows the second user to improve the best RFQ response to execute the trade based thereon as a principal and determines an execution price and yield for the trade that has been executed as recited in amended Claim 1.

Accordingly, there is no motivation to combine Giovannoli with Balasubramanian et al. Applicant respectfully submits that the references, whether alone or in combination, fail to teach the invention recited in amended claim 1. Therefore, Applicant respectfully requests that the rejection of Claim 1 and the claims dependent upon Claim 1 be withdrawn.
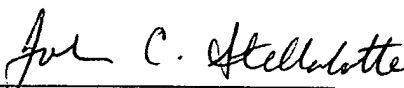
Claims 12, 16, and 18 also recite, among other features, features that distinguish Claim 1 over Giovannoli and Balasubramanian et al., including specifically determining an execution price and yield for the securities offerings for which a trade has been executed and that the securities for which the trade has been executed have a price and yield that are calculated when the trade is executed. Applicant respectfully submits that these other independent claims are patentably distinct from the prior art of record for at least the same reasons as Claim 1. Therefore, Applicant respectfully requests that the rejections of these claims and the claims dependent on those claims be withdrawn.

CONCLUSION

In light of the foregoing remarks, Applicant respectfully submits that the claims are

patentably distinct over the prior art of record, that the application is in proper form for

allowance of all claims, and earnestly solicits a notice to that effect.

Respectfully submitted,

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